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GAO Report Demonstrates Urgent Need for Interchange Fee Reform

Washington, D.C. – Today, the Government Accounting Office released its report on the interchange fees banks charge businesses for credit card transactions. The report concluded that the fees create a misleading and anti-competitive system between banks and merchants. This GAO report demonstrates why it is necessary for Congress to pass legislation introduced by **Congressman Welch (D-VT)** and **Congressman Shuster (R-PA09)** to reform the interchange fee system.

"This report confirms what every small business owner in the country already knows: credit card fees are killing small businesses. Ever-increasing swipe fees are driving up costs for merchants, who then pass those costs to consumers. This study shows that curtailing the credit card industry's most egregious practices could lower prices for all consumers," said **Congressman Welch**.

"The GAO is an eye opener for all businesses that rely on credit card transactions," said **Congressman Shuster**. "The report proves that the banks continue to have the upper hand in setting interchange fee schedules and in creating confusing, misleading arrangements. It's time to level the playing field."

"The GAO report goes into great length describing how opaque the interchange fee system is. The legislation I introduced with Congressman Welch will bring sunlight into the process by giving small and medium sized businesses a much needed and deserved seat at the table in negotiating interchange fee schedules," **Shuster** added. "What we need is transparency. Once that is established, competition will flourish."

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